

# Exhibit 3

DR. HERMAN J. FELTON - December 17, 2024

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UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION

KAREN LESTER,  
Plaintiff

V.

WILEY COLLEGE,  
Defendant.

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\* Case No. 2:23-cv-00624  
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\*  
\* (JURY DEMANDED)

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ORAL/VIDEOTAPED/REMOTE DEPOSITION OF

DR. HERMAN J. FELTON

TUESDAY, DECEMBER 17, 2024  
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Oral deposition of HERMAN FELTON, PhD, produced as a witness at the instance of Plaintiff, and duly sworn was taken in the above-styled and numbered cause on December 17, 2024 from 9:01 a.m. to 10:34 a.m. before Nephtali Diaz, court reporter in the State of Texas, and NOTARY in and for the State of Texas, reported by machine shorthand method, pursuant to the Federal Rules of Civil Procedure, and the provisions stated on the record or attached hereto.

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A P P E A R A N C E S

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Also Present:

MR. JOSEPH MOORE - Videographer

MS. KAREN LESTER

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1 P R O C E E D I N G S

2 THE VIDEOGRAPHER: This begins the  
3 videotaped deposition of Dr. Herman Felton. We are on  
4 the record. The time is 9:01 a.m. Central Standard  
5 Time. Today's date is December the 17th, 2024.

6 Would counsel please introduce yourselves  
7 and who you represent after which the court reporter is  
8 going to swear in the witness.

9 MR. DOYLE: Mike Doyle here for  
10 Ms. Lester.

11 MS. GEZAHAN: Avvennett Gezahan for the  
12 Defendant.

13 THE REPORTER: Dr. Felton, Jr., would you  
14 please raise your right hand?

15 Do you swear or affirm to tell the truth,  
16 the whole truth, and nothing but the truth, so help you  
17 God?

18 THE WITNESS: Yes.

19 (Witness sworn.)

20 THE REPORTER: All right. Mr. Doyle, I'll  
21 turn it over to you.

22 HERMAN FELTON,  
23 having been first duly sworn, testified as follows:

24

25

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1 EXAMINATION

2 BY MR. DOYLE

3 Q. Tell us your name please, sir.

4 A. Herman James Felton, Jr.

5 Q. And, Dr. Felton, you're the president and CEO  
6 of Wiley College?

7 A. That is correct.

8 Q. You've had that position for about how long?

9 A. Coming up on seven years.

10 Q. We're taking your deposition remotely today,  
11 and if because of that or any technical or any other  
12 reason you do not understand one of my questions or need  
13 me to repeat it, will you please tell me, sir?

14 A. Yes, sir.

15 Q. And even though we're not in the courthouse,  
16 it's the same oath, same responsibility to answer to the  
17 best of your ability under oath as if you were in front  
18 of them. You understand that?

19 A. That is correct.

20 Q. You've had a chance to prepare for this  
21 deposition by looking at any particular  
22 documents/materials at all?

23 A. Yes. Some.

24 Q. What?

25 A. The documents that were put in front of me,

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1 where we've had some challenges before, previous  
2 institutions, nothing remotely close to a  
3 misappropriation of funds or misuse of funds or any of  
4 that. We've not done that in my tenure, nor have my  
5 predecessors ever done that.

6 Q. You mentioned in getting ready for this  
7 deposition you also reviewed a letter from the Louisiana  
8 Department of Public Safety & Corrections. Do you  
9 recognize it as Plaintiff Exhibit 4?

10 (Exhibit 4 was marked.)

11 A. I do.

12 Q. (By Mr. Doyle) Had you seen this document  
13 before yesterday?

14 A. Yes.

15 Q. Did this letter of notification from the  
16 Louisiana Department of Public Safety & Corrections  
17 indicate that Federal funds were not being properly  
18 utilized by Wiley University?

19 A. No, it does not.

20 Q. Does it indicate that there were failure to  
21 provide participants with documents in actual electronic  
22 devices required by the program?

23 A. It says: "Failure to provide participants with  
24 formal letters noticing of status changes or information  
25 that is pertaining to completing degrees, delay in

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1 deploying ATL law devices," but it does not say that it  
2 was a failure to provide those.

3 Q. When did you first become aware of any issues  
4 with the management of the Second Chance Pell program  
5 with the State of Louisiana by Wiley University?

6 A. It was sometime out of COVID. I don't remember  
7 precisely the date, but it was sometime coming out of  
8 COVID -- '21, probably '22, I think it was.

9 Q. How did you become aware?

10 A. I actually had a phone call with the warden and  
11 a gentleman who was a member of the warden's team.

12 Q. And what prompted that phone call? How did it  
13 come about?

14 A. It was prompted because at that time Mr. Javan  
15 Reed was a poor communicator and they wanted me to know  
16 that he had missed a couple of dates. It was  
17 exacerbated by -- I think their haste was because there  
18 was a meeting scheduled and Mr. Reed was uncomfortable  
19 given that COVID was still a problem here in Texas and  
20 Louisiana and he didn't want to go to the meeting. So  
21 that was, I think, the reason for their communication.

22 Q. So you got a call from a warden and an  
23 associate with the prison system because Mr. Reed had,  
24 sounds like, cancelled a meeting because he did not want  
25 to travel because of COVID concerns. Am I saying that



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1 A. Vaguely.

2 Q. What?

3 A. I recall that they wanted to terminate her.

4 The recommendation was by her immediate supervisor, the  
5 provost or her -- his supervisor approved it, HR  
6 approved it, and that was -- that's the chain for every  
7 division.

8 So there's a couple of -- a couple of  
9 steps unless I'm terminating a VP, so it's typically a  
10 two-, three-step process. Nothing out of the ordinary  
11 occurred with her termination or separation from any  
12 other individual.

13 Q. What reason, if any, can you share with us was  
14 given by your vice president for firing Ms. Lester?

15 A. Well, we knew that the program was ending.  
16 That program, Wiley, at the time, College, was a part of  
17 a cohort that was initially started by the Department of  
18 Justice to do the justice-involved education. It had a  
19 shelf life.

20 When I got here in '18, I saw that the  
21 college was really running at a deficit to operate the  
22 program, so I knew that we would not be -- in '18 --  
23 would not be signing up to get the program again. So  
24 that meant everyone in the program that was supported by  
25 the program would eventually have no place of

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1 A. Yeah, for students. Federal financial aid.  
2 It's not a grant. It's a Federal financial aid.  
3 They're loans. So yes, we received those and they're --  
4 the Pell Grants are for individuals to help subsidize  
5 their education.

6 Q. And when you say they're loans, were the  
7 incarcerated persons required to repay them, or do you  
8 know?

9 A. No, they're not. Not the Pell Grants, no. Not  
10 the -- that's financial aid.

11 Q. And the Pell Grants had certain requirements  
12 imposed upon Wiley to timely and properly manage the  
13 program?

14 A. Absolutely. Which we do -- which is notated in  
15 our audit every year.

16 Q. And when you say "notated in our audit," what  
17 do you mean?

18 A. It's notated in our audit that we disburse and  
19 have no findings for any improprieties regarding Federal  
20 financial aid or Pell Grants.

21 Q. And when you talk about improprieties, you're  
22 talking about the money not being spent on a proper  
23 purpose?

24 A. I think it's very vague, impropriety, to  
25 include that, yes.

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1 Q. Now this audit you're talking about, is it  
2 simply a financial audit, or is there actually an audit  
3 of the performance of the contract?

4 A. It's an audit that is accepted for every  
5 university in these contiguous states that is done by an  
6 independent auditor that is also done by the Department  
7 of Education.

8 Q. This audit, is it actually -- create a document  
9 of some kind?

10 A. All audits do.

11 Q. So this audit you're referring to of the  
12 management of the Second Chance Pell Experiment, you  
13 received a document of some kind --

14 A. No. We don't have a -- I apologize. We don't  
15 have an audit of the Second Chance Pell program. We  
16 have an audit of all of our Federal financial aid and  
17 funding, no audit of the Second Chance Pell program.

18 Q. There's no separate audit of the Second Chance  
19 Pell Experiment program?

20 A. There's no reason. There's no separation of  
21 our graduate programs. It's the Federal -- a student,  
22 every student that receives Federal financial aid via  
23 loans, subsidized or unsubsidized, parent PLUS loans, or  
24 Pell Grants. They're all included in our audit.

25 Q. What you're saying is on an annual basis,

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1 years.

2 Q. And during the years that Wiley was managing  
3 the Second Chance Pell program, not a single concern was  
4 raised about the operation of that program by Wiley?

5 A. I learned that there was a student or two who  
6 was still -- that dropped out of the program, but we  
7 sent that money back. In fact, Dr. Bradley, when that  
8 was raised, made sure of that, but other than that,  
9 there are no other issues with that.

10 Q. Oh, this sending back money --

11 A. Uh-huh.

12 Q. -- when did that occur?

13 A. As soon as we found out that there was an  
14 issue.

15 Q. Was this something before the notification,  
16 February 6th, 2023, from the state of Louisiana, they  
17 were ending the partnership?

18 A. I'm not sure. I don't know exactly when those  
19 dates were.

20 Q. Other than the one call with the warden, Zoom  
21 call, absolutely, positively no indication from  
22 Dr. Bradley or any other person of improper management  
23 of the Second Chance Pell Experiment until you got this  
24 letter February 23 from the Department?

25 A. Yeah. Very clear that there has never been

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1 partners to see if the person has any intrinsic value  
2 that may be good for the institution, and if it's not  
3 determined that there's another place for them or if  
4 there's something else that can be done for them that  
5 has already been done, then we proceed with separating.

6 Q. Dr. Gibson, he was fired as well?

7 A. Dr. Gibson was separated as well.

8 Q. Is that something different from firing?

9 A. People separate. I don't use the word  
10 "firing." I think it's antiquated. I'd rather separate  
11 someone.

12 Q. Separate means their employment ends?

13 A. That's correct.

14 Q. Not at the employee's choice?

15 A. Sometimes.

16 Q. Dr. Johnson's employment ended not at his  
17 choice?

18 A. That would be correct.

19 Q. Because...

20 A. The program was ending and a recommendation for  
21 a termination was put forward.

22 Q. Dr. Gibson, he was also -- you don't like the  
23 word "fired" -- separated; is that correct, sir?

24 A. That is correct.

25 Q. And the reason for Dr. Gibson's -- what you

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1 Department of Corrections?

2 A. I don't recall.

3 Q. Did you make any effort to ask, "Are these  
4 legitimate in any way" from the vice president --

5 A. No. I don't recall.

6 Q. Did it matter to you whether for the years that  
7 the program had been administrated by Wiley there were  
8 legitimate issues about performance or not?

9 A. So I'm a product of poverty. I grew up around  
10 crime. My father was justice involved. I did not  
11 graduate from high school; I'm dyslexic. I -- yeah, I  
12 rose to get two terminal degrees, a law degree and a  
13 PhD.

14 My family's trajectory was changed because  
15 of an education at a historically black college. I have  
16 happened to find myself as president of a historically  
17 black college. I care about everything that we do on  
18 this campus to include anything that Wiley was involved  
19 in.

20 And to be a part of a program that deals  
21 with justice-involved African Americans, browns, or any  
22 American, I'm particularly proud of given the hist- --  
23 historical complex of Wiley University and how it was  
24 founded out of racism, anger, prejudice, and to rise  
25 above that and to give those who ordinarily don't have

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1 to?

2 A. They would have went to the director of the  
3 Second Chance Pell program up to the dean that  
4 reports -- the director reports to -- then up to the VP  
5 and then ultimately they would have come to me. The  
6 coordinator would have had knowledge of it, who is  
7 Mrs. Lester. The director would have had knowledge of  
8 it. All would have knowledge of those concerns.

9 Q. Okay. We spent some time talking about  
10 mismanagement of Second Chance Pell Grant funds.

11 Did you ever get a complaint from Ms. Lester  
12 directly regarding the Second Chance Pell Grant?

13 A. Never got a complaint from anyone including the  
14 warden and the director of the program who was on-site.  
15 I've never heard that until this lawsuit.

16 Q. Okay. And again, with Dr. Bradley's  
17 conversations with Ms. Lester, there was no -- from your  
18 recollection, were there any conversation regarding the  
19 Second Chance Pell program, specifically mismanagement  
20 of Pell Grant funds?

21 A. Nope.

22 Q. Okay. If you would have heard about  
23 mismanagement of those Pell Grant funds, what would you  
24 have done?

25 A. Investigated it. And had there been any

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1 misappropriation, the Department of ED would certainly  
2 allow you to correct it, but someone would've been  
3 terminated if I found that there was malice, if we acted  
4 in a way that wasn't sufficient.

5 But the first thing would've been an  
6 investigation to determine if there was indeed factual  
7 evidence to dictate that there was misappropriation.

8 Q. Okay. Let's talk about the audits of the Pell  
9 Grant funds. How are those audits conducted from your  
10 knowledge?

11 A. The audit is done every year by the Department  
12 of Business and Finance. We have an auditor, outside  
13 independent auditor hired by the board of trustees.  
14 They come and conduct an audit. That audit is sent up  
15 to the Department of Education which has to accept the  
16 audit. The audit is also sent to our Southern  
17 Associations for Colleges and Schools, our accrediting  
18 body, which also has to accept the audit.

19 That audit has to be accepted by our  
20 business -- our finance committee on our board, and  
21 that, to me, is the second line of defense. Our first  
22 line of defense is the auditor itself, the second is our  
23 committee chair, the third is the Department of  
24 Education.

25 Those happen every year. Those -- every



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1 student that receives Pell is subject -- Pell or  
2 financial aid -- is subject to be audited, and every  
3 year we are audited in our cash management among other  
4 things. But to include our Federal financial aid, we  
5 have obtained clean audits in my tenure here.

6 Q. Okay. And regarding the Pell Grant, in  
7 particular, during the audit, what are the auditors  
8 looking at, from your knowledge?

9 A. Well, they do what is called reconciliation.  
10 They look to see if there's a transcript to draw down,  
11 if a student is registered. That's it.

12 Q. Okay.

13 A. I think there may be some other things there,  
14 but that's typically the gist of it.

15 Q. And if they found that a student wasn't  
16 involved but received Pell Grants, what would happen in  
17 a scenario like that?

18 A. You'd have to send the money back.

19 Q. Okay. Since your tenure with Wiley College,  
20 how many times has an auditor found financial aid was  
21 disbursed to a student who wasn't enrolled?

22 A. That was -- when I first got here, there was an  
23 audit that was done in March. I came early. My tenure  
24 started in June. There was an audit that was done.  
25 They found some reconciliation that needed to be done.

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1 March of '18 that was done. And then after that we've  
2 not had any of those issues except for the  
3 reconciliation here with one or two students for the  
4 program.

5 Q. And if, for some reason, Wiley was not in  
6 compliance and the auditor found that there was some  
7 error, what would happen for financial aid for the  
8 school?

9 A. Well, you wouldn't be able to award if there's  
10 misappropriation, malice, if there's theft, but when --  
11 when there is an error, which is how the Department of  
12 ED describes it, you are given an opportunity to correct  
13 that.

14 Q. Okay. And how important is financial aid for  
15 the students at Wiley College?

16 A. Lifeline. 89 percent of our students are first  
17 gen, first generation Pell eligible, which means that  
18 their parents' combined income is below 35,000 -- I  
19 believe it was -- that's 90 percent of our student  
20 population. And if students aren't able to receive  
21 Federal financial aid -- they're not able to pay for the  
22 services that we offer -- college wouldn't exist.

23 Q. Okay. Has the U.S. Department of Education  
24 ever done an investigation into Wiley for  
25 misappropriation of Federal funds?

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1 A. No.

2 Q. Has -- okay. Has the U.S. Department of  
3 Education ever done an inquiry into the mismanagement of  
4 financial aid funds?

5 A. Not to my knowledge.

6 Q. Okay. And last little topic, we talked about  
7 termination. From your knowledge, who initiated the  
8 termination of Ms. Lester?

9 A. I believe it was -- well, not believe; I know  
10 now since this came up. It was Mr. -- Dr. Johnson.

11 Q. Okay. And how many individuals have to approve  
12 that termination or recommendation for termination?

13 A. Dr. Johnson moves up to Ms. -- Dr. Cox, Dr. Cox  
14 moves up to the assistant vice president; the assistant  
15 vice president goes over to the vice president; the vice  
16 president goes over to Mrs. Moody.

17 Mrs. Moody's job is to determine if there  
18 are any issues, being our HR person. They come to me,  
19 and I ask that question again. Sometimes Dr. Bradley is  
20 in that layer. But for this particular employee, there  
21 would be three or four steps before it got to me, three  
22 or four individuals that would have approved it, signed  
23 off on it as well.

24 Q. Okay. And one of the steps you say you take is  
25 to ask if there is another opportunity on campus for the

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1 UNITED STATES DISTRICT COURT  
2 EASTERN DISTRICT OF TEXAS  
3 KAREN LESTER, \*  
4 Plaintiff \*  
5 \*  
6 V. \* Case No. 2:23-cv-00624  
7 WILEY COLLEGE, \*  
8 Defendant. \*  
9 \* (JURY DEMANDED)

10 -----

11 REPORTER'S CERTIFICATE  
12 ORAL/VIDEOTAPED/REMOTE DEPOSITION OF  
13 DR. HERMAN J. FELTON  
14 TUESDAY, DECEMBER 17, 2024

15 -----

16 I, Nephtali Diaz, a COURT REPORTER in the State of  
17 Texas and NOTARY in and for the State of Texas, hereby  
18 certify to the following:

19 That the witness, HERMAN FELTON, PhD, was duly  
20 sworn and that the transcript of the deposition is a  
21 true record of the testimony given by the witness;

22 That the deposition transcript was duly submitted  
23 on January 3, 2025 to the witness or to the attorney  
24 for the witness for examination, signature, and return  
25 to me by February 3, 2025.

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1 That pursuant to information given to the  
2 deposition officer at the time said testimony was taken,  
3 the following includes all parties of record and the  
4 amount of time used by each party at the time of the  
5 deposition:

6 Mr. Doyle (1 hr, 15 mins)  
Attorney for Plaintiff  
7 Ms. Gezahan (10 mins)  
Attorney for Defendant  
8

9 I further certify that I am neither counsel for,  
10 related to, nor employed by any of the parties in the  
11 action in which this proceeding was taken, and further  
12 that I am not financially or otherwise interested in the  
13 outcome of this action. Certified to by me on this 3rd  
14 day of January 2025.  
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1 I, Herman Felton, PhD, have read the foregoing  
2 transcript and hereby affix my signature that same is  
3 true and correct, except as noted on the previous  
4 page(s), and that I am signing this before a Notary  
5 Public.

6  
7 \_\_\_\_\_  
8 Herman Felton, PhD

9 \_\_\_\_\_ No changes made \_\_\_\_\_ Amendment Sheet(s) attached

10 THE STATE OF \_\_\_\_\_)  
11 COUNTY OF \_\_\_\_\_)

12 Before me, \_\_\_\_\_, on this  
13 \_\_\_\_\_ personally appeared, Herman Felton, PhD,  
14 known to me (or proved to me under oath or through  
15 \_\_\_\_\_) (description of identity card or  
16 other document) to be the person whose name is  
17 subscribed to the foregoing instrument and acknowledged  
18 to me that they executed the same for the purposes and  
19 consideration therein expressed.

20 Given under my hand and seal of office this \_\_\_\_ day  
21 of \_\_\_\_\_, 2024.

22  
23 \_\_\_\_\_  
24 NOTARY PUBLIC IN AND FOR  
25 THE STATE/COUNTRY OF \_\_\_\_\_  
COMMISSION EXPIRES: \_\_\_\_\_

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/S/ Nephtali Diaz

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4

NEPHTALI DIAZ

5

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